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SUBJECT: SCENESETTER FOR VISIT BY COMMANDER, UNITED STATES  
PACIFIC COMMAND

#### Introduction

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¶1. (SBU) Admiral, your visit to Vietnam is well timed to complement the successes of recent trips by other senior civilian and military leaders and will be an important contribution to the growing U.S.-Vietnam relationship, especially in advance of Vietnam taking its seat on the UNSC next year. Your visit will build on positive participation of Vietnam in the Chiefs of Defense conference you hosted in Hawaii during early November as well as the June visit by then Chief of Naval Operations, the May visit by your Deputy, and last February's visit by then Commander, Pacific Fleet. Your discussions will allow us to build-on advancements in military bilateral cooperation that to date have grown but continue to lag behind its full potential, particularly in the areas of search and rescue and naval cooperation.

¶2. (SBU) A series of high-level bilateral visits, the highlights of which were President Bush's trip to Vietnam in November 2006 and President Nguyen Minh Triet's Washington visit in June 2007, have helped push the bilateral relationship to a higher plane. Vietnam's desire last year to successfully host APEC and accede to the WTO also helped strengthen bilateral ties. Vietnam's recent election to a non-permanent seat on the UN Security Council during the 2008-2009 term, and its emerging leadership role in ASEAN, are also key indications of the GVN's desire to pursue a more outward looking and engaged role in the world community.

¶3. (SBU) Our strengthening relations are in large part due to Vietnam's realization that the United States is an important force in maintaining a stable geopolitical environment in which even "small" countries like Vietnam are assured their independence and freedom of action. Vietnam also sees in the United States, its largest export market, an increasingly vital source of development aid, technical assistance and foreign direct investment. For these reasons, Vietnam's leaders are committed to continued progress in bilateral relations and will likely speak positively and optimistically about the future of U.S.-Vietnam ties. Differences over human rights remain, however, and lingering fears that the United States supports the overthrow of the current regime through &peaceful evolution& continue to complicate the relationship. China also looms as a factor coloring Hanoi's

reactions to our proposals in the security realm, as discussed further below.

¶4. (SBU) We have planned a full schedule for your visit. During your stay, you will have the opportunity to meet with key senior civilian and military leaders in Hanoi. You will also have an opportunity to meet again with the Minister of Defense, the Deputy Prime Minister/Minister of Foreign Affairs, and the Deputy Chief of the General Staff, who also serves as the standing director of the National Committee for Search and Rescue (Vietnam's Federal Emergency Management Agency equivalent). Below are issues and topics that are likely to be raised in your meetings in Hanoi.

#### Counterterrorism: Case-by-Case Cooperation

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¶5. (SBU) Vietnam says the right things about terrorism, underscoring its willingness to respond rapidly to specific cases or incidents. However, in response to our efforts, together with like-minded countries, to urge GVN participation in multilateral efforts such as the Proliferation Security Initiative and the Global Initiative to Combat Nuclear Terrorism, the GVN has stood firm in limiting its involvement to cooperation only on a "case-by-case basis." Nonetheless, the GVN and the United States have made gradual progress in strengthening our joint counterterrorism efforts. During President Bush's visit last year, the President and his Vietnamese counterpart pledged to increase cooperation to halt the proliferation of weapons of mass destruction and related technology and materials in accordance with international and national laws and each country's

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capacities. The U.S.-led project to repatriate Highly Enriched Uranium (HEU) from the Nuclear Research Institute in Dalat and convert the reactor to Low Enriched Uranium (LEU), completed in mid-September, was an important deliverable on this commitment. The United States provides counterterrorism assistance to Vietnam by funding Vietnamese participation in counterterrorism-related training at the International Law Enforcement Academy (ILEA) in Bangkok, and through military-to-military exchanges with an emphasis on counterterrorism themes. We'd like to do much more.

¶6. (SBU) In the multilateral arena, Vietnam has signed eight out of 13 UN terrorism conventions. Approval of the remaining five is winding its way through the cumbersome GVN bureaucracy, the delay explained in part by GVN concern with its capacity to carry out obligations under the conventions. Two of the remaining conventions are reportedly in the final stages of GVN approval, while the status of the other three remains unclear.

#### Gradual Progress in Defense Cooperation

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¶7. (SBU) Defense relations have advanced at a measured pace, with a deliberate but positive shift in defense relationship. Senior defense leader visits have been key to enhancing mutual trust through the development of personal relationships. We now conduct professional military exchanges with the People's Army of Vietnam (PAVN) in a wide range of areas including military medicine, meteorological/oceanographic (METOC) prediction, search and rescue, military law and disaster preparedness. PAVN officers have been invited as observers to Cobra Gold for the past four years and routinely attend U.S. Pacific Command-sponsored multilateral conferences. This year, they also sent observers to Cooperation Afloat Readiness and Training (CARAT) activities in Brunei. Since 1997, nearly seventy GVN officials, including more than thirty-five PAVN officers, have attended courses and seminars at the Asia Pacific Center for Security Studies (APCSS).

18. (SBU) Since 2003, U.S. Navy ships have made five official port visits at three different Vietnamese ports. The most recent port visit was November 14-18 by two mine countermeasures ships, the USS Guardian and the USS Patriot, to Haiphong port. Additionally, the USS Peleliu visited Danang City in July to carry-out humanitarian medical activities and the USNS Bruce C. Heezen visited Danang City in October to participate in hydro-meteorological technical exchanges. Vietnam agreed to participate in the International Military Education and Training Program (IMET), in June 2005, and the first two officers from the PAVN completed their IMET-sponsored (almost one year long) English language training in Texas this year. In October, PAVN sent another six officers for a year of English training in the United States. This year, IMET will provide a language laboratory in Hanoi. In addition, IMET will expand mil-mil contacts in FY08 with a U.S. mobile training team (MTT) visit for Search and Rescue and another MTT for military medical techniques training. This will open a new phase in bilateral military contacts.

19. These increased military contacts have elicited some noticeable results. For example, the GVN recently responded quickly (within 24 hours) by approving two different USPACOM blanket overflight clearance requests for U.S. military flights in support of disaster response in Bangladesh. This was only the second time that such as clearance has been approved by the GVN. The Ministry of Defense also has recently invited the United States to send an officer to its National Defense Academy's new International Officers Course starting next spring. These are constructive steps, but we have far to go to achieve our full potential for closer cooperation in defense activities, including multilateral peacekeeping, humanitarian assistance efforts and attendance at U.S. military schools exists. These goals are attainable, but will require time, persistence and patience.

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#### Expanding U.S. Naval Ship Visits

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110. (SBU) While we have regularized regular ship visits over recent years, the GVN has remained firm in limiting the frequency of port visits by U.S. Navy warships to one per year. This restriction is frequently cited as being consistent with GVN laws that regulate visits by foreign warships; however, some other nations conduct more frequent port visits, and we have not identified any published laws that substantiate the limits of one visit per year rule. We still seek to persuade the GVN to permit more frequent access for ships to conduct limited, technical calls for refueling, replenishment or special purpose visits (technical exchanges or humanitarian assistance). This would support our overall goal of increasing routine access for U.S. Naval vessels at Vietnam's ports, while not escalating the pace of military contacts beyond a level that is comfortable for the GVN. We also hope to continue asking the GVN to participate in fly-outs and believe that the general positive trend in the relationship will result in an acceptance at some point. We are eager to welcome the USNS Mercy's visit next year. This visit will expand upon the groundwork laid by the July 2007 USS Peleliu visit and that greater PAVN medical participation will be achieved.

#### Peacekeeping Operations

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111. (SBU) Peacekeeping Operations (PKO) are well outside the range of normal PAVN missions of protecting sovereignty, building the nation and preserving the Communist Party regime. Over past years, however, the GVN has expressed increasing interest in potential involvement in PKO missions organized under UN auspices. We believe that Vietnam's recent election to a non-permanent seat on the UN Security Council during the 2008-2009 term has given significant

impetus to this thinking. Vietnamese military leaders remain cautious, however, saying that Vietnam would focus Vietnam's PKO participation only on providing medical or engineer support missions, including demining.

¶12. (SBU) Several PAVN officers have already gone abroad to participate in Peace Operations Military Observer's Courses offered by several nations and in 2005 the GVN hosted a strategic-level peacekeeping seminar in Hanoi co-sponsored by Great Britain. PAVN leaders nonetheless have yet to discuss Vietnamese commitment to any actual PKO contingency. To move to that stage, the GVN would have to do much more to meet the remaining challenges of the lack of interoperability, the paucity of English language speakers in the military and complications due to funding issues. Vietnamese military leaders have told us that any PKO participation by Vietnam troops would have to be approved by the National Assembly, which has not yet publicly considered that initiative.

#### Consequences of War

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¶13. (SBU) In your meetings, you are likely to hear references to "consequences of war" or "legacies of war" issues. This is the catch-all term that the GVN applies to a myriad of problems, including Agent Orange(AO)/Dioxin contamination, unexploded ordnance (UXO) and land mines from the war era, and the incomplete recovery of missing Vietnamese military personnel.

¶14. (SBU) While scientists and GVN officials continue to debate the human impact of the 80 million liters of AO sprayed over 2.6 million hectares and 3,000 villages in Vietnam, recent GVN-approved studies reveal that Dioxin contamination is not widespread, but rather is concentrated in roughly 20 "hotspots." Former U.S. bases, from which Operation Ranch Hand missions were staged and AO was stored, have soil dioxin concentrations exceeding concentration levels recommended by the U. S. Environmental Protection Agency (EPA) and World Health Organization, while other areas thought to be targets of heavy aerial spraying do not

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currently have soil concentrations considered hazardous to health.

¶15. (SBU) Much has been accomplished recently in turning a new leaf on the AO/Dioxin issue with regard to government-to-government relations and changing the tone of the dialogue both in meetings and in the press. The Department of Defense role in this effort has been to share data on wartime Operation Ranch Hand sites and share DOD experiences in remediation efforts that DOD supervised during and after the Vietnam War. To this end, DOD sponsored a dioxin remediation workshop in Hanoi in 2005 where the U.S. experience in dioxin remediation was reviewed. In addition a second DOD workshop was held in 2007 in Hanoi to provide Vietnam's Military with updated data on Operation Ranch Hand sites and potential hazardous areas. On November 17, 2006 the Joint Statement between the GVN and USG on the occasion of President Bush's visit to Vietnam stated: "The U.S. and Vietnam also agreed that further joint efforts to address the environmental contamination near former Dioxin storage sites would make a valuable contribution to the continued development of their bilateral relationship."

¶16. (SBU) Beginning in 2006, the State Department and EPA provided USD 400,000 in technical assistance to the GVN's Office 33 and PAVN's Chemical Command for remediation planning and immediate interventions at the Danang City airport. Congress recently appropriated an additional USD 3 million in Economic Support Funds (ESF) for "dioxin mitigation and health activities," thereby helping Vietnam to remediate areas with demonstrably high levels of dioxin and assist those with disabilities. This follows four years of USG support to

build the capacity of the Vietnam Academy of Science for analysis of contaminated soils and sediment. The USG is continuing to work with the GVN, and in parallel to efforts by UNDP, Ford Foundation and other NGOs, to examine the next steps in the environmental remediation of three priority hotspots in Danang, Hoa Binh and Phu Cat airfields. Developing a partnership to share all information and best practices in environmental remediation between the DOD and MOD would be well received by the GVN.

#### Impacts of Remaining UXO

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¶17. (SBU) Since 1989, USAID and the U.S. Department of State, s Office of Weapons Removal and Abatement (WRA), through support from the Patrick J. Leahy War Victims Fund (LWVF) and other sources, has provided over USD 43 million to support NGOs and private voluntary organizations to develop comprehensive programs for people with disabilities. In addition, since 1993 the USG has been actively involved in assisting the people of Vietnam in overcoming the social and economic impacts of remaining UXO from the war. Vietnam was formally accepted as the 37th participant in the U.S. Humanitarian De-mining Program in June 2000, and the USG is now the largest donor of humanitarian assistance for mine action programs in Vietnam. The USG has invested over USD 37 million in a broad spectrum of programs not only to locate, remove and destroy unexploded ordnance and landmines, but also to address the UXO effects on health and livelihood of Vietnamese living in affected areas.

¶18. (SBU) Today, various NGOs conduct UXO and land mine clearance, risk education and victim rehabilitation. The USG has also donated a significant quantity of equipment to the PAVN to assist efforts in UXO and landmine clearance and return land to productive use. In 2006, the State Department provided USD 3.5 million to support UXO action and demining activities in Vietnam, almost a third of which went directly to PAVN in the form of donated demining equipment. In 2007, an additional USD 2.5 million was provided to underwrite mine action related activities in Vietnam, however, sharp decreases in humanitarian mine action (HMA) funding in 2008 due to tight budgets will force the cancellation of key programs.

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¶19. (SBU) The GVN remains keenly interested in building capacity to conduct underwater mine and UXO detection and clearance. In 2005, the maritime economy contributed about fifteen percent of the overall GDP, however the GVN announced in January 2007 a goal of growing the maritime economy to constitute 53-55 percent by 2020. After 20 years of reform development, Vietnam still does not have a deep water port that can handle large container ships, adding some 28% to the cost of shipments to the United States. The development of deep-water ports to augment existing inadequate port infrastructure is thus viewed as a critical requirement to fuel the growing maritime economy.

¶20. (SBU) Additionally, Vietnam's fishing fleet consists of more than eighty thousand small fishing vessels with less than 500-600 horse power, operating both close to the coast and offshore. Of these, fishing boats in the 40-50 horse power-range account for about two thirds of the fleet, and most of these do not have the equipment to maintain contact with the land. One of the biggest disaster preparedness challenges faced by the GVN is that of recalling vessels back to port in case of a storm, as well as providing adequate safe havens and anchorages for all these vessels. Thus, another key component of Vietnam, s design for the future of the maritime economic sector is the development of coastal and island safe havens for its fishing fleet. This necessitates extensive mine/UXO clearance activities in the coastal areas of many of the northern provinces and assistance in these activities would undoubtedly be welcomed.

Fulllest Possible Accounting



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¶21. (SBU) Predating the re-establishment of diplomatic relations and normal defense contacts, U.S. military and DoD elements continue their efforts toward the fullest possible accounting of Americans missing from the Vietnam Conflict. Since 1988, the Joint POW/MIA Accounting Command (JPAC), a USMACV subordinate element, has evolved to include forward Detachments in Vietnam, Laos, and Thailand/Cambodia. With its Vietnam Detachment (Det 2), it has completed 90 Joint Field Activities (JFA), which incorporated extensive research, interviews, analysis, and excavations in order to accomplish its mission. From its inception, Det 2 has forged excellent relations with its GVN counterparts (notably, the Vietnam Office for Seeking Missing Persons or VNOSMP). Ultimately, JPAC's efforts in Southeast Asia have resulted in accounting for 880 American's who were previously unaccounted for. The foundation has been set for sustaining JPAC's success as it continues to account for the remaining 1766 missing Americans throughout Southeast Asia.

¶22. (SBU) JPAC Det 2 is currently working toward the: (1) admission of JPAC teams to research or recover cases located in select areas of high GVN sensitivity; (2) the access to information held in classified military and security ministry archives and records that have not previously been made available to USG; and (3) further assistance in resolving cases in Laos and Cambodia where members of Vietnam's armed forces might provide the largest pool of eyewitnesses.

¶23. (SBU) An area of heightened bilateral cooperation is the undertaking of investigation and recovery efforts at sea. During the Vietnam Conflict, more than 400 American aviators were lost in the waters off the coast of Vietnam. While the majority of those American's were declared dead and their remains deemed not recoverable, JPAC continues to conduct underwater investigation and survey activity when information obtained and validated has the potential to lead to a recovery. This is a resource-intensive endeavor. In December, 2006 the GVN gave its approval for the use of U.S. naval vessels to operate within their territorial waters in order to enhance JPAC's underwater investigations towards the identification of potential recovery sites.

#### Humanitarian Assistance

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¶24. (SBU) Since 1995, U.S. Agency for International Development (USAID) programs have provided aid in legal

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reform, governance, economic growth, HIV/AIDS, environmental protection and disaster prevention. For FY 2007, total U.S. assistance from all agencies was about USD 86.6 million, most of which has gone towards providing health-related assistance, notably in the area of HIV/AIDS treatment and prevention. Vietnam is one of fifteen countries in the President's Emergency Plan for AIDS Relief (PEPFAR). The United States provided USD 65 million in 2007 to expand integrated HIV/AIDS prevention, care and treatment programs. This figure includes approximately USD 3.1 million dollars for the Department of Defense (DOD)-managed portion of PEPFAR HIV/AIDS programs with Vietnam's Ministry of Defense.

¶25. (SBU) Since 2000, when Vietnam experienced a particularly devastating season of floods and storms, DOD has supported a wide variety of Overseas Humanitarian, Disaster and Civic Aid (OHDCA) projects in Vietnam. Through USMACV, DOD sponsored the construction of eight medical clinics in Thua Thien-Hue Province, a primary school in Quang Binh Province, and two centers for disabled children in Quang Binh Province. In 2006 two additional humanitarian assistance construction projects were completed in Central Vietnam: a medical clinic in Quang Binh Province, and a 10-room primary school in Quang Tri Province. This year USMACV has used OHDCA and APRI funds to sponsor construction of a medical clinic and school

projects in Danang City, Lai Chau and Nghe An Provinces as well as Flood Management Centers in both Danang City and Quang Nam Province. Additionally, USPACOM has facilitated multiple donations of excess medical property to various medical facilities throughout Vietnam. The Defense Attache Office and other Country Team members are currently working with Vietnamese officials to gain information to develop a rationale, scalable plan for focused HA that will provide a greater impact over a larger area and over an extended timeframe for future HA proposals. We believe this is similar to recent initiatives being recommended by your USPACOM J4.

¶26. (SBU) Through a combination of Fulbright grants and the Vietnam Education Foundation (VEF), an innovative program created through legislation to facilitate the training of Vietnamese scientists, the United States sponsors over 100 students yearly for graduate study in the United States. The Fulbright program is the largest in Asia. The VEF was established with the unpaid proceeds of loans extended to the old South Vietnamese government. Another important activity is the Fulbright Education Training Program, through which seventy mid-level Vietnamese professionals receive in-country training in economics and public policy each year.

#### A Word on the Economy, WTO and Investment

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¶27. (SBU) Vietnam today is fueled by a dynamic economy, which grew at an 8.1% rate last year. Per capita annual income jumped from about USD 220 in 1994 to USD 720 in 2006. The ongoing implementation of economic reforms first launched in 1986 in a program known as "Doi Moi" (renovation) has been effective in promoting market-oriented changes and has improved the quality of life for many Vietnamese. Foreign trade and foreign direct investment have increased dramatically and poverty rates have dropped. Vietnam formally acceded to the WTO as its 150th member on January 11, 2007. Vietnam's chief exports are crude oil, textiles, footwear and aquatic products. The United States is currently Vietnam's fourth largest overall trade partner (behind China, Japan and the EU), but remains its largest export market. The economy still faces challenges, especially from the inherent difficulties of transforming legacy command-economy structures, systemic corruption and the slow pace of reform in many areas.

#### Future Prospects

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¶28. (SBU) Since 1991, the GVN has sought to improve diplomatic ties both regionally and worldwide. The GVN recognizes the strategic importance of the United States in

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the region and the world, but is not shy about raising the specter of "peaceful evolution," or to criticize U.S. actions it perceives as outside the multilateral system. They routinely chafe over U.S. criticism of Vietnam's record of human rights and religious freedom. Nonetheless, Vietnam's leaders are also pragmatic and recognize that Vietnam's own continued economic well-being, growth and security are, in large measure, inexorably tied to its relationship with the United States.

¶29. (SBU) Vietnam has begun to explore opportunities within regional organizations, to increase joint efforts against terrorism, narcotics, maritime piracy and other issues of shared concern. Vietnam has also recently begun joint sea patrols with other neighbors in the Gulf of Thailand and has established hotlines to help facilitate coordination along sea boundaries. The recent success of the Royal Thai Navy rescue of Vietnamese seamen adrift in the Gulf of Thailand was largely credited to the use of one such hotline. Nevertheless, for historic and foreign policy reasons, the GVN is generally reluctant to speak out against its

"traditional friends" such as North Korea and Iran when they engage in behavior that the rest of the international community condemns.

¶30. (SBU) In November the National Defense Academy (NDA) Director announced Vietnam's new professional military education course for foreign senior officers and civilians. Much of this course is likely to be little more than a government primer on Vietnam, but the opportunity for interaction among the thirty or so foreign officers and their host nation instructors (many of whom do speak English) coupled with the increased contact and access to military facilities could make this a credible step forward towards increase military transparency and international cooperation between Vietnam and other militaries.

#### The China Factor

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¶31. (SBU) China constitutes Vietnam's most important strategic preoccupation. Relations must remain on an even keel, and Hanoi has no illusions about the relative power balance. Vietnam's huge neighbor to the north constitutes a vital and necessary commercial partner and former ally. The two nations share ideological roots. At the same time, China is perceived as a constraint to Vietnam's freedom of action, and the undertone of Beijing's dominance in the relationship has a nasty implication due to China's 1,000 year history of colonial domination. Even today, Beijing appears to be willing to set aside its core policy strategy of improving relations with nations on its periphery when faced with energy security and sovereignty issues. Both of these are coming into play as China engages in bullying of foreign companies to cause them to cease oil and gas exploration efforts in the South China Sea, as has been reported in the press.

¶32. (SBU) Recent rhetorical disputes over territorial sovereignty in the Hoang Sa (Paracel Islands) and Truong Sa archipelagos (Spratly Islands) have escalated recently with strong GVN criticism concerning PRC military exercises in the Hoang Sa islands in late November and the PRC's recent establishment of Sansha Administrative Town in early December, which includes both the disputed Hoang Sa and Truong Sa islands. GVN re-affirmations of claims to territorial sovereignty to both island chains were widely carried in the local press, which also expressed dismay over the PRC's unilateral moves to abrogate the spirit of the 2002 Declaration on the Code of Parties in the East Sea.

¶33. (SBU) Sensitivity about China's possible reactions to engagement with the United States has definitely not constrained Hanoi willingness to engage on broad economic issues. We are a driver of Vietnam's integration into the world economy, which is not proceeding according to the "Chinese model." On security matters, however, GVN reluctance to engage with us more fully is attributable to

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concern over China's potential reaction, in particular, mixed with an institutional conservatism born out of concern over "peaceful evolution" as a real threat to the regime. Also, there is an ingrained caution on the part of Vietnam's military in the face of relative power calculations vis-a-vis China. As documented above, while progress is still being made, we are moving at a measured pace and within these constraints.

#### PAVN'S ROLE

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¶34. (SBU) PAVN has three primary missions: to defend Vietnam's territorial sovereignty, to support and preserve the CPV regime, and to contribute to the economic welfare and development of the nation.



135. (SBU) PAVN currently has about 480,000 active duty forces, backed by twice as many paramilitary forces and a pool of reserve soldiers that potentially also numbers up to a million strong. The defense establishment also includes perhaps an additional half million civilian workers whose livelihood is tied into the success of military-run, state-owned enterprises and factories. In principle, Vietnam has universal eighteen-month conscription for men and women aged 18-25 years and this ensures a ready pool to fill the active duty, paramilitary and reserve ranks. Many former conscripts find employment in military businesses. The PAVN is professionalizing, but slowly and at an uneven pace. In the past five years, it has sought to improve the officer accession process, link promotions to education, and standardize everything from military salaries to military training curricula. Most recently, Vietnam also reduced the obligated service time for conscripts.

136. (SBU) PAVN forces are arrayed in bases throughout the country. This includes Border Guard forces deployed at hundreds of checkpoints along Vietnam's borders with China, Laos and Cambodia and along the coast. Vietnam also has troops deployed on reefs it claims in the Spratly Islands. PAVN has a large footprint in the Central Highlands provinces, where it participates in large-scale economic development and community building projects.

137. (SBU) PAVN is not a particularly well-equipped force. Equipment modernization is constrained by limited resources and the government's emphasis on fostering economic growth through infrastructure investment. Some high-tech acquisitions have been made for modern air and air defense systems including: Russian S-300 Surface to Air Missile (SAM) systems, a limited number of SU-27 and SU-30MK multi-role fighters, SU-22 ground attack aircraft, and M28 Skytruck STOL-class, multi-role cargo aircraft. The navy continues a slow buildup of its capability to defend the coasts and territorial claims in the South China Sea. It hopes to have a ship capable of cross-ocean voyages by 2010, and even mentioned this during a recent visit by senior State Department Official, but Vietnam is not building toward a serious blue-water navy capability.

138. (SBU) Most new naval vessels have been acquired through foreign sales, but some are now domestically built through partnership arrangements with foreign governments. In a 2003 contract worth USD 120 million, Vietnam reportedly received two Russian-built Tarantul II Class fast attack missile boats and eight more will be locally assembled under license using Russian components. Russia remains the primary source of high-tech acquisitions, but Vietnam has also acquired defense articles from Poland, Ukraine, India, Israel, Slovenia, Hungary, China, and the Czech Republic. In September 2005 the last of six Search and Rescue patrol boats was handed over to Vietnam's National Maritime Bureau (VINAMARINE). Although these vessels will be based in the central region of Vietnam, they were primarily built at the Song Cam Shipyard in Hai Phong using a complete component package delivered by the DAMEN Technical Cooperation of the Netherlands. Another USD 19 million contract with the DAMEN Technical Cooperation led to the construction of four 5,000 HP Rescue tug boats for

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Vietnam's Marine Police (under the Navy) at the military's Danang-based Song Thu Shipyard. PAVN's organic shipbuilding capacity while good is still limited to vessels less than 70K DWT, and remains constrained by the use of many imported components, such as navigation and communication systems, as well as engines and weaponry.

139. (SBU) PAVN's missions include disaster relief and search and rescue in times of natural calamity. PAVN also plays an active and important role in maintaining domestic political stability through its widespread programs aimed at indoctrinating Vietnam's citizenry in their moral and patriotic duties. Conscription, in combination with

long-term mandatory militia and reserve service, serves to underscore the idea that each citizen has an obligation to participate in defending the state and the regime against attempts to erode or usurp the party's grip on power. The threat of &peaceful evolution& and efforts by unspecified forces (the United States/West) to use ideas like &democracy&, and &human rights& to foment social unrest continue to be employed as ideological bogeymen.

¶40. (SBU) PAVN also plays a vital role in fostering economic development and infrastructure modernization throughout Vietnam, but particularly in those areas that are underserved by other government or commercial development programs. Military participation in productive matters is not simply an expedient means to fund force modernization in an era of dwindling defense budgets. It also reflects a long-standing historical linkage between national defense and the nation's productive capacity that remains central to the doctrinal roles of a People's Army in both wartime and peacetime.

¶41. (SBU) PAVN also operates more than 250 economic enterprises in a wide range of fields including capital construction, tourism, textiles, agriculture, chemical manufacturing, shipbuilding, aqua-culture, petroleum distribution, port operations, banking and telecommunications. PAVN businesses operate nationwide and many are diverse conglomerates with a wide spectrum of interests. PAVN has recently consolidated the number of military-run businesses to gain efficiencies, and although there has been recent talk about reducing the military's role in business, few meaningful changes have apparently taken place to date.

¶42. (SBU) Along with the Public Security Forces, PAVN remains perhaps the most conservative and insular of GVN institutions and it zealously carries out the mission of conducting national defense education. This program is compulsory for almost every citizen. It includes rudimentary military training and political indoctrination. PAVN applies significant resources to defense education and continues to expand the network of defense education centers throughout the country, including those at most high schools and major universities. Priorities for training focus on youth, ethnic minorities in sensitive areas, and provincial or local government officials. Millions of citizens undergo some form of defense education training every year.

¶43. (SBU) Leadership and decision-making in the military is a fragmented and often prolonged affair because it utilizes a Communist Party system of committees at all levels. Recent efforts to weaken the unilateral authority of military commanders in favor of strengthening the role of these party committees and units political commissars and political officers was intended to re-invigorate the controlling influence of the Communist Party over all military matters.

#### What You Can Expect -----

¶44. (SBU) You can expect your interlocutors not only to be articulate and well informed, but also to speak in terms generally supportive of growth in the bilateral relationship. As noted above, lingering suspicions still exist among conservatives in leadership about the development of closer

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ties with the United States, but the overall tenor is one of support and interest at a measured pace that will not upset the GVN's calibrated attempts to maintain balance among its other regional partners. Your upcoming trip to Hanoi will continue to help translate those good feelings into measurable accomplishments in the defense and security relationship.

¶45. (SBU) We look forward to your visit and stand ready to do

everything we can to make your time in Vietnam as productive  
as possible.  
MICHALAK